GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:199
ANSWERED ON:03.08.2015
Allocation of Gas
Fatepara Shri Devajibhai Govindbhai;Yadav Shri Dharmendra

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of demand and supply of natural gas in the country along with capacity/requirement of gas-based power/fertilizers/Small and Medium Enterprises (SME) and supply of natural gas/RLNG to the said sector, sector-wise;

(b) whether the Government has fixed priority in allocation of gas produced by public/private sector companies and prices of gas to various sectors of economy particularly power/Fertilizers/SME;

(c) if so, the details of gas produced by public/private companies and allocated to priority/non-priority sectors along with its prices offered by the Government, sector/company/State/UT-wise;

(d) the details of long-term contract signed with various sectors to import natural gas/RLNG and supply to the said sectors, sector/company/country-wise; and

(e) the efforts made by the Government to overcome the shortage of natural gas to various sectors of the economy which is lying idle/closed on account of inadequate availability of gas on long term basis sector/State/UT-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO.199 ASKED BY SHRI DEVAJIBHAI G. FATEPARA AND SHRI DHARMENDRA YADAV, MPs TO BE ANSWERED ON AUGUST 3, 2015

(a): As per Annual Report of Fertilizer Sector the average requirement of natural gas for production of urea by fertilizer plants during 2014-15 was 50.531 MMSCMD against which 41.91 MMSCMD (26.70 MMSCMD domestic gas & 15.21 MMSCMD of imported R-LNG) of natural gas was supplied.

As per CEA as on 31.3.2015, the total gas based installed power capacity in the country is 23062.15 MW. Considering station heat rate of 2000 Kcal/KWH and calorific value of gas as 9500 Kcal/SCM, the total requirement of natural gas to operate the above capacity at 90% PLF is 104.87 MMSCMD. Against the above requirement, 28.04 MMSCMD (25.33 MMSCMD domestic gas & 2.71 MMSCMD of imported R-LNG) of gas has been supplied during the year 2014-15. The actual natural gas demand of power sector is price sensitive. Due to less demand of imported Liquefied Natural Gas (LNG), out of 62.10 MMSCMD of total regasification capacity, 19.25 MMSCMD remained unutilized during 2014-15.

Gas pipeline connectivity is a must for supply of gas to SME sector. Currently, all SME sector plants are not connected with natural gas pipeline. The projected demand/installed capacity of SME sector is not available in the Ministry.

(b): Yes Madam.

(c): During the year 2014-15, National OIL Companies (NoCs) Viz., ONGC and OIL have produced 67.79 MMSCMD of gas and the Private Companies have produced 24.41 MMSCMD of gas. However, after internal consumption and technical flaring, 52.29 MMSCMD and 21.64 MMSCMD was supplied by NoCs and private companies respectively. The total allocation of domestic gas to priority sector is 188.37 MMSCMD and Non-Priority sector is 58.52 MMSCMD).The price of domestic natural gas is determined in accordance with the New Domestic Natural Gas Pricing Guidelines, 2014. As per the above guidelines, the base price of domestic natural gas supplied is same for all consumers irrespective of their location and sector, except for North East Region where the rate is 60% of the notified rate for certain allocations. The above price is applicable on all the domestic gas produced in the country except gas produced from Small and isolated fields in nomination blocks, blocks where prices have been fixed contractually for a certain period of time, gas produced from blocks where the PSC concerned provides a specific formula for natural gas price indexation/fixation and gas produced from such Pre-NELP blocks where Government approval is not required under the Production Sharing Contract (PSC).

(d): LNG is imported by different entities under Open General License and the prices of LNG are contractually decided between the buyer and the seller. Contracts are signed on different parameters agreed between the buyer and seller. Government has no role in allocation/ distribution and pricing of long term LNG.

(e): In order to enhance availability of natural gas in the country, Government has taken several steps which inter alia include the following:

i. Intensification of domestic Exploration & Production (E&P) activities through New Exploration Licensing Policy (NELP) rounds;
ii. Shale Gas Policy framework;
iii. Research and development of Gas Hydrate resources in the country;
iv. Import of Liquefied Natural Gas (LNG) from various countries;
v. Transnational pipelines viz., Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline and Iran-Pakistan-India(IPI) pipeline;
vi. Clearance for exploration and development of some NELP blocks where the same was held up by various agencies; and
vii. Exploration in the Mining Lease Area has been allowed with certain conditions.
viii. Acquisition of Overseas Oil and Gas assets is being pursued in order to enhance energy security for the country.

Apart from above the Cabinet Committee on Economic Affairs (CCEA), in its meeting dated 25.03.2015 and 31.03.2015 has approved the policy to revive and improve utilization of the stranded gas based power generation capacity and pooling of gas in fertilizer (urea) Sectors. The former has made R-LNG based power generation commercially viable for idle/ stranded gas based power plants. The pooling of gas in fertilizer sector has enabled fertilizer plants manufacturing urea to run at their full capacities.
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